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DECEMBER 6, 1965

FRENCH WHEAT OUTLOOK

WHERE THE U.S. STANDS ON EAST-WEST TRADE

WHEAT AND FLOUR EXPORT AND PROMOTION

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

DECEMBER 6, 1965

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Giant combine harvests wheat in the Beauce area of France. According to article on opposite page, France's 1965 wheat crop totals 14.3 million tons. Photos courtesy of the French Ministry of Agriculture.

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FRANCE'S WHEAT EXPORT OUTLOOK FOR 1965-66

Exports of over 2 million tons have already been authorized but France is holding back on sales until later in the season when prices may be firmer.

By HAROLD L. KOELLER
Assistant U.S. Agricultural Attaché, Paris

France this year, despite quite unfavorable weather during parts of the summer and fall, harvested a record wheat crop of 14.3 million metric tons. Exports, though, will probably not be as high as a crop of this size would permit because of the country's low carryover stocks. Also, a considerable quantity is feed-grade wheat, and consequently more of it will be fed to livestock. Currently, it is estimated that 4.0 million tons of wheat will be exported plus about 500,000 tons of wheat equivalent in the form of flour.

Area and output

French farmers increased the area in wheat for harvest in 1965 by over 3 percent, to 11,200,000 acres. Some of this increase may have occurred on plowed-up pastureland, but most of it came from reduced sowings of feed grains. (The move toward a higher European Common Market price for wheat had less effect on the area sown than expected since increased charges approved by the French Government prevented a price increase to growers.)

The yield of wheat per acre was slightly higher in 1965 than in 1964, reaching a record average of nearly 47 bushels per acre. Production is estimated to be 14.3 million tons at the present time.

The sales of wheat by farmers ("collection") are now forecast at 10.5 million tons compared with 9.9 million sold by producers to "collection" agencies in 1964-65. Up to October 1 of this year, a total of 7.0 million tons of wheat had been delivered to "collection" agencies, 600,000 more than a year earlier. This tends to confirm the forecast of producer sales to "collection" agencies.

Export sales

Wheat export availability is estimated at 4.0 million tons as grain and 500,000 in the form of flour, or 4.5 million tons, about the same as last season. Exports are not expected to exceed last year's, mainly because of the small carryover stocks at the beginning of the marketing year July 1, but the larger proportion of feed-grade wheat also reduces export prospects somewhat.

France has sold or committed over one-half of its wheat-grain export surplus. Sales have been made or are being negotiated in the quantities shown to the indicated countries:

	Metric tons
Soviet Union	600,000
Poland	400,000
Hungary	70,000
Algeria	160,000
Morocco	30,000
Portugal	50,000
Norway	35,000
EEC countries	230,000
U.K., Ireland, Switzerland, and other countries (estimated)	535,000
Total	2,110,000
Flour (wheat equiv.), total	125,000
Grand total	2,235,000

Harvesting wheat on large farm near Paris.

The quantity for Poland includes the 100,000 tons of feed wheat approved by the National Cereals Board on October 5 for delivery after November 15, which must contain at least 10 percent of sprouted grain. However, this sale has not yet been made as the negotiators are reported to be about $2.25 per ton apart on the price.

The 70,000 tons shown for Hungary also is feed wheat of which at least 57,000 tons have been sold. The quantity shown for Algeria represents a part of a total program agreed on by France for the supply of 220,000 tons of bread wheat this season, of which 80,000 is to be delivered between October 15 and November 15 and 80,000 between November 15 and December 15. The remainder will be supplied later. However, it is possible that part of this total may not be French wheat but may be third-country wheat financed by France.

Exports from July 1 to October 15 totaled 681,944 tons. These included some shipments from the previous season's export program, such as 73,201 tons to Czechoslovakia, 73,800 to East Germany, and 25,020 to Algeria.

Export outlook

France has bilateral agreements with Poland, Hungary, Bulgaria, North Korea, Iran, and Morocco, which include quotas for French wheat. While these quotas are not considered firm commitments, they are fairly good indications of probable sales.

For example, it is expected that Poland, which has a quota of 600,000 tons, will purchase its full quota, and that Hungary and Morocco will purchase their quotas. The quota of 170,000 tons for Hungary, due to expire December 31, is expected to be extended to June 30, 1966, for delivery, on condition that purchases are made before December 31, 1965.

The remainder of the French wheat surplus will be sold but the distribution of sales by country is subject to demand and negotiations. Last season, France shipped East Germany 723,000 tons of wheat, and Bulgaria was a market for 82,000, while North Korea bought 24,000 tons and Iran 189,000. These countries may purchase French wheat again.

Another question mark is Russian requirements. It is entirely possible that the Soviet Union may seek to buy up to 500,000 tons more of French wheat. A recent decision to offer Russia 100,000 tons of milling wheat was reversed to be taken up later.

The UAR (Egypt), which bought 71,000 tons last year, may again turn to France for a small quantity. However, the general policy of the National Cereals Board and the French Government is to postpone further export sales of milling wheat until after the first of the year. Therefore, it is expected that export certificates at reasonable subsidy rates will be issued only for feed wheat from now until the end of December.

Present prospects for sales of French wheat additional to those in the preceding table, may be tentatively indicated as follows:

	Metric tons
Poland	200,000
Hungary	100,000
Morocco	120,000
Algeria	60,000
USSR	500,000
U.K., Ireland, Switzerland and Western Europe	400,000
Total	1,380,000

These quantities, added to sales already made or under negotiation, total 3.5 million tons of wheat grain. This leaves only 500,000 tons for other customers, or for increases in the quantities indicated above.

Export policy and procedures

Although the grain trade, operating under EEC regulations, is free to make export sales, the French Government controls the flow of exports by adjusting the amount of the export subsidy which, under EEC regulations, may not exceed the current EEC wheat import levy. Further control is exercised by the extension or denial of guarantees made by the "Compagnie Française d'Assurance pour le Commerce Extérieur," a semigovernmental agency, for credit sales to certain countries. Sales to "state trading" countries also require special authorization by the Bureau of Foreign Economic Relations of the Ministry of Finance and Economic Affairs.

In September and October the National Cereals Board issued export certificates on the basis of subsidy payments of 30 francs, or about $6 per metric ton below the maximum that could be paid under EEC regulations. Payments were about $38 per ton. At this reduced subsidy rate, exporters requested few export certificates.

Whenever the government decides to encourage export sales, it increases the subsidy toward the maximum permitted. Earlier sales made at about $58 to $59 per ton, f.o.b. French port or border, were based on export certificates authorizing a subsidy payment of about $42 per ton. The present export price of millable wheat is about $61 per ton, f.o.b. French port. Feed-grade wheat sold to Hungary was priced at $54, f.o.b. French border, with 15-20 percent sprouted grains.

French policy at present is to hold back on wheat exports early in the season in order to keep the domestic price from rising since a higher wheat price would create pressure for higher flour prices and hence an increase in the price of bread, an important item in the cost of living. An increase would be quite inappropriate at this time in view of the impending elections.

Orderly marketing also requires some control over the rate of sales and shipments in order not to run into a shortage later on, and to avoid transport problems. It can be anticipated that after the beginning of 1966 additional export sales of wheat will be made. Officials also reason that prices may be somewhat firmer later in the season because of tighter world supply and increased demand this crop year.

Dutch Sales of Butter and Cheese Rise

Dutch exports of butter amounted to 44 million pounds in the first 8 months of 1965, up 16 million pounds from those for the same period of 1964. The United Kingdom took 60 percent of total shipments as against 73 percent last year. Increased sales were made to several minor markets, among them Italy, which took 4 million pounds, compared with 2 million pounds a year ago.

Cheese shipments rose 12 percent to 162 million pounds. Sales to West Germany, the leading market, were up 8 percent to 73 million pounds. Belgium's purchases—28 million pounds—were 1 million pounds more than last years. Those of the United Kingdom—16 million pounds—were 2 million pounds above a year ago. Other countries taking increased quantities of Dutch cheese in January-August 1965 were France, Italy, Austria, and Switzerland.

Where the United States Stands on East-West Trade

By ANTHONY M. SOLOMON
Assistant Secretary for Economic Affairs
U.S. Department of State

From the earliest days of our Republic, we have regarded peaceful trade as a normal element in international relations and we have strayed from this principle only in response to a very definite national need.

We did not, for example, treat trade with the Soviet Union differently in any important respect in the 1920's and 1930's—even when we had no diplomatic relations with it—than we treated trade with any other country. The sharp break with this tradition came at the end of World War II when the Soviets were fast consolidating their hold on Eastern Europe. The decision was taken to prevent goods, such as important industrial products and equipment which could contribute to their military or industrial strength, from reaching them. The controls placed on trade at that time were very effective because the United States had a virtual monopoly in the West on both the industrial products and raw materials that the otherwise self-sufficient Soviets were not able to produce themselves.

During the Korean war, these coordinated Western controls were strengthened and extended to cover virtually all industrial equipment and raw materials to all Communist countries.

More East-West trade since Korea

After the Korean war, the importance of these special controls diminished somewhat. Western Europe began to rebuild its industry and pressure naturally accumulated to reestablish markets for civilian-use items behind the Iron Curtain, particularly in the East European countries. Before coming under Soviet domination, those countries had had a very active trade with the countries of Western Europe, and even Soviet domination in the early and middle 1950's was not able to eradicate these traditional ties completely. Because the Soviet Union exercised effective control over its European satellites and organized and exploited their economies in its own interest, our trade controls were initially applied equally to the Communist countries of Eastern Europe. But from the outset of our trade control program, we recognized the possibilities and the value of differentiating our controls and other aspects of our policy as a means of responding to and influencing significant political developments in the Communist world.

Nationalism rises in Bloc

When Yugoslavia rebelled against the domination of Moscow in 1948 and Moscow broke off its trade in an effort to force Yugoslavia back into line, we supported Yugoslavia's assertion of independence with trade and substantial military and economic aid. Yugoslavia's successful breakaway was a significant event in world history and its influence was felt throughout the world.

About 65 percent of Yugoslav trade is now with the non-Communist world and the influence of that trade and the contacts that have flowed from it have had, in the opinion of your Government, an impact on the internal liberalization in Yugoslavia and can be expected to continue to have a salutary influence. Yugoslavia does not always or even often vote with us in the councils of nations but it is not an imperialist and aggressive power seeking to subvert countries of the Free World.

The Yugoslav experience stimulated the latent forces of nationalism within the East European countries. The Gomulka government in Poland, for example, was able to reduce Soviet domination there, and we encouraged the Polish trend toward greater independence through our Food-for-Peace program, our Export-Import Bank credits, and our trade policy. In connection with the conclusion of a claims settlement, we restored most-favored-nation treatment to imports from Poland and adopted a more liberal export licensing policy toward that country.

With the possible exception of Albania, the East European countries are reasserting in varying degrees their traditional national interests and extending their association with the non-Communist world. Sometimes dramatically, as in the case of Yugoslavia in 1948 and Poland in 1956, and sometimes gradually, as is happening now in Rumania, the East European countries are each looking Westward for help in reasserting their national identity. Rumania, for example, has recently rejected the confines of Soviet-designed economic plans for Eastern Europe and has sought trade and broadened relations with Western Europe and the United States.

The United States responded to this development by holding trade talks with Rumania in Washington last year. In these discussions, agreement was reached on improved

U.S. Trade Policy Regarding Communist Nations

Key to our policy governing trade with Communist nations, according to Mr. Solomon, is flexibility, taking into account the commodity to be exported, where it is going, what the recipient country can export to us, tariffs, physical distance, the institutional framework of the Communists' state trading organizations as opposed to our private enterprise, and the intangibles of consumer decisions.

We embargo all trade with North Vietnam, Communist China, North Korea, and Cuba, all of which are openly expressing their defiance of world peace. (In the case of Cuba, however, the United States permits shipments of foods and medicine for humanitarian reasons.)

With varying degrees of liberality or strictness, we permit trade in nonstrategic goods with Eastern Europe and the Soviet Union. Exports to these areas are controlled by the Commerce Department, with exporters required, under the Export Control Act of 1949, to give full details of intended sales. These controls are parallel, though not identical, with international strategic controls worked out with our NATO partners and Japan in an international Coordinating Committee called COCOM.

This talk was delivered at the 43d Annual Agricultural Outlook Conference, November 15, 1965.

conditions for trade between the two countries, including some liberalization of nonstrategic exports to Rumania....

A different world

At the close of 1965, the world looks very different to us from the days of the early 1950's when there was no real reason to distinguish among the Communist countries of Eastern Europe. They were then very much a monolithic bloc, since for all practical purposes their leadership was exclusively Soviet-directed. This is no longer the case. While we must not exaggerate the modest degree of revived nationalism in these East European countries, it is an important new trend and pertinent to our policy on trade with them. The specific policies that I have described, reflect our response to the beginnings of this trend. Now it is important to examine our policy and revise it if necessary so that it will continue to serve our interests in Eastern Europe.

President Johnson has recognized the longing of the peoples of Eastern Europe—and some of their rulers—for "deeper, steadier and more natural relations with the West." He said recently that "we wish to build bridges to Eastern Europe—bridges of ideas, education, culture, trade technical cooperation, and mutual understanding for peace and prosperity."

These are peoples with distinct national histories and close traditional ties with Western Europe. They are small and economically vulnerable countries in the process of change. Should we reinforce the Iron Curtain by ignoring the significant changes taking place in Eastern Europe, or should we tailor our trade and related policies in accordance with the conditions and behavior of each of these countries?

Communist grain shortage boosts trade

So much for the present picture. What about the outlook, particularly with regard to trade in agricultural commodities such as wheat and other grains? We all remember the headlines in late 1963 that the United States had decided to sell wheat to the USSR and Eastern Europe.

There should have been no surprise that the Government was willing to give permission to American grain dealers to sell wheat, in view of its nonstrategic character and also since it was surplus and sales would reduce the disposal problem. Our sale of $140 million worth of wheat to the Soviet Union demonstrates rather clearly, I think, the productive superiority of American agricultural organization and at the same time indicts the Soviet system for failures in the very sector of their economy they have tried so hard to build as a showcase.

But despite the wheat sale, the volume of trade between us and the East European countries and the Soviets is still very modest. In 1964, out of total U.S. exports of about $26 billion, we sold to them only $340 million, including wheat, or about 1 percent of our total exports. This figure includes, however, some P.L. 480 sales. Our imports from them of $102 million in 1964 were considerably less than 1 percent of our total imports.

Large farm trade with East

Although our exports to these countries are very small in terms of our total exports, it is interesting to note the rather large amounts of agricultural commodities included in these figures. Taking the 3-year period 1962-64, our commercial agricultural exports to Eastern Europe and the Soviet Union amounted to almost $400 million. So we cannot dismiss this trade as negligible in terms of a favorable impact on a particular sector of the economy—agriculture—or on our balance of payments.

What do the shortages in the USSR and Eastern Europe mean in terms of our own sales opportunities? I cannot say flatly as that is subject to a number of unknowns. What is clear is that Soviet and Chinese purchases since July of this year have again made world supplies tight outside of the United States, as happened 2 years ago when their purchases left the United States the virtual sole supplier in the latter part of the crop year.

Between them, the Communist Chinese and the Soviets have contracted for about 15 million tons of wheat for delivery by next July. East European countries also have been in the market for purchases ranging upward of 2 million tons. From what we know of agricultural conditions in Eastern Europe and the Soviet Union, it is highly possible that they will need still more wheat to supplement the massive purchases already made in Western markets....

Shipping controversy under study

I am sure that you are interested in the requirement that 50 percent of any American wheat sold to the Soviet Union and the East European countries, as well as 50 percent of other grains sold to the Soviet Union, must be carried in American ships if available. This is a controversial subject and, as President Johnson noted recently, there are "strong and divergent views as to its merits."

The existence of the requirement, as you know, did not prevent the East Germans from buying 45,000 tons of American wheat last month for their holiday baking.

We do not know whether the Soviet Union is prepared to buy wheat or other grains from us. But we do know that they are not prepared to pay the extra costs required for moving half of their purchases on ships charging rates above the world level so long as wheat is available from other countries. It is possible that if the 50-percent American shipping provision were removed, not a ton of grain would move to Eastern Europe. But it is also possible that if the shipping requirement were rescinded, the Soviets would be in the American market for considerable quantities of wheat and other grains.

This cargo preference regulation is under constant review within the Administration. It also has been under study by the Senate Foreign Relations Committee.

In responding to a letter from this committee last month, President Johnson said that he was aware of the great interest among those in the agricultural industry in selling wheat to the Soviet Union.... The President states, "the Administration will continue to maintain an active consideration of the regulation, the advisability of continuing it in effect, and the likelihood of effectuating potential sales if it were rescinded."

You can be assured, therefore, that this matter is receiving the most careful attention within the Government and that all factors are being weighed....

Both sides benefit

It bears repeating that our trade policy toward Communist countries is but a small part of our overall policy toward them. A main purpose of this policy is to demonstrate that both sides benefit from peaceful exchange....

Recently a special Presidential committee headed by J. Irwin Miller, president of the Cummins Engine Company,

made a hard-headed evaluation of the way in which United States national interests may be advanced by a more creative use of American trade relations with the Communist countries of Europe. The Miller Committee report put its conclusion this way: "Trade is one of the few channels available to us for constructive contacts with nations with whom we find frequent hostility. In the long run, selected trade, intelligently negotiated and wisely administered, may turn out to be one of our most powerful tools of national policy."

In order to use trade effectively as an instrument of policy, the President will need the authority to enter into discussions with these countries on a case-by-case basis and look at such things as copyright, patents, protection of American property, and nondiscriminatory most-favored-nation tariff treatment for the countries that do not have this at present. It should be made clear however—in keeping with our overall policy design of flexibility—that such MFN tariff treatment could be granted or withdrawn, depending on whether our interests were best served by encouraging or denying trade.

Opportunity to break down barriers

An expansion of our peaceful trade with the East European countries and the Soviet Union could, over a period of time, bring us some commercial and economic benefits. But a more important effect, we believe, would be the chance to break down further the barriers of ignorance, distrust, and fear that separate their peoples from ours.

Thus the channels of peaceful trade would be used more fully to reduce international tensions and strengthen the outlook for peace. For these reasons we believe that the U.S. policy on East-West trade deserves the most careful consideration by the public, the Congress, and the executive branch of your Government to insure that it is attuned to the times and serves our national interest as effectively as possible.

EEC Embarked on Two Programs To Bolster Its Farm Statistics

The Commission of the European Economic Community, faced with the problem of administering an increasingly complex Common Agricultural Policy (CAP), has long advocated a more comprehensive collection of Community farm statistics. Without better statistics, it is considered impossible to fulfill the aims of the CAP[1], as data collected from national sources often fall short of actual needs and frequently lack desired comparability. Approval therefore has been obtained for two major statistical data-collection programs in the EEC: A "Survey of Farm Structures" and a "Farm Accounts Information Service."

Survey of farm structures

This survey is to be divided into two parts: (1) A basic survey in 1965 covering one-fourth of the Community's 7 million farms, and (2) eight special surveys to be conducted between 1966 and 1970. The special surveys will collect more detailed information on certain farm sectors but will follow the lines of the basic survey.

A pretest of the schedule for the basic survey was tried out on 7,000 farms throughout the Community in November and December of last year. The basic survey is to cover land use, tenure, livestock population, labor force, farmer training and work experience, farm succession after retirement, cooperative membership, tractor and farm machinery use, forward marketing contracts, farm sales of different products (in terms of quantity, not value), and other pertinent matters.

Briefly stated, the basic survey would determine "what products, in what areas and types of undertaking and under what conditions the Community's farmers produce."

Farm accounts information service

This service, financed with Community funds, established an information survey on farm management, with particular emphasis on farm incomes. The data obtained from the accounts are expected to provide facts and figures on typical farm operations through the Community and thus help EEC officials to assess the effectiveness of agricultural policy measures in relation to the objectives laid down in Article 39 of the Rome Treaty.

The data will also be used by Community officials in (1) deciding on the allocation of funds for structural improvement in agriculture, and (2) preparing an annual "Report on the Situation in Agriculture and Agricultural Markets in the Community."

The number of account-keeping farms is to be restricted to 10,000 during the first 3 years of operation and later will be increased to 30,000. Farms are to be selected in accordance with uniform Community standards, but the selection is not to be confined to holdings whose occupiers already keep accounts. Farms under 12 acres will be excluded from the accounting system during the first 3 years of its operation unless more than half of their production is from wine, fruits, vegetables, or oils (singly or collectively).

Farmers sign contracts

Participation of farmers in the surveys is voluntary but their willingness to keep accounts and supply details is the central core of the program. A contract, however, is negotiated with the farmers, and there are provisions guaranteeing that the infomation provided will remain secret and not be used for tax purposes. Several countries, including West Germany and the Netherlands, have had previous experience in the supervision and use of data from a number of account-keeping farms.

What progress these surveys have made is uncertain nor is it known to what extent the current stalemate in the EEC will influence their effectiveness. France has reportedly been unfavorable all along to the EEC Commission's financing and thus, direct inspection and supervision of the Farm Accounts Information Service. It is noteworthy, however, that the EEC is making an effort to establish greater coverage, consistency, and comparability in a field where it is generally lacking.—REED E. FRIEND

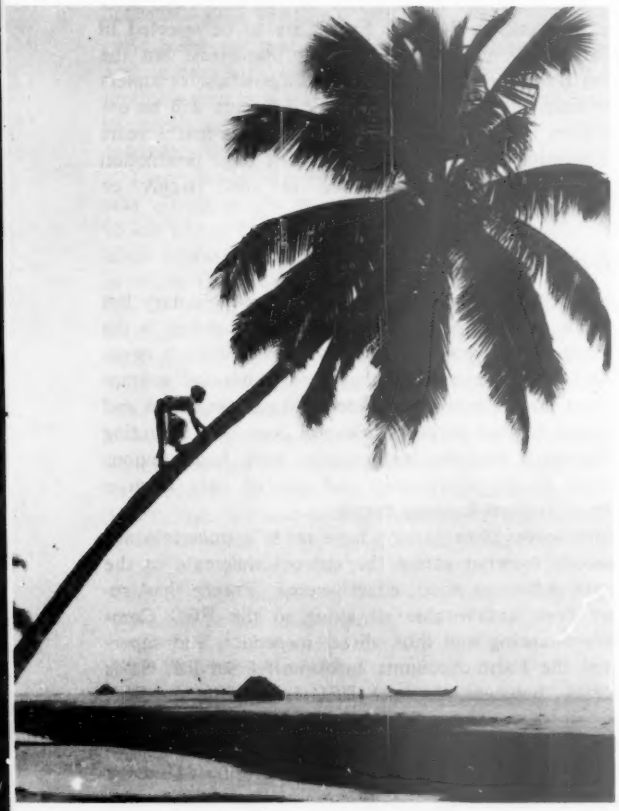
Foreign Regional Analysis Division
Economic Research Service

[1] Briefly stated, CAP's objectives in Article 39 of the Rome Treaty are to increase agricultural productivity, insure a fair standard of living for the agricultural population, stabilize markets and guarantee regular supplies, and insure reasonable prices to consumers.

Boy (below) scales one of India's many coconut palms, whose fruit, after retting (above), yields coir fiber.

The COIR INDUSTRY of INDIA

—only coir-producing enterprise in the world which has developed a large foreign market for its coir yarn and manufactured products.



World's largest producer and second largest exporter of coir and coir products is India, whose shipments of these items bring in close to $25 million a year in foreign exchange.

These large export earnings make coir—a hard fiber obtained from the husks of coconuts—one of India's top 10 agricultural exports, as well as the economic foundation for the big coconut-producing State, Kerala. There, the backwaters of the Malabar Coast provide natural facilities for the 8 months of retting required to extract a spinnable fiber from the coconut husks.

The extracted coir, which is resilient, durable, and resistant to dampness, goes into making yarn for export or for weaving into such items as bags for tea and coal, rugs, mats, and "chicks." (This latter product is widely used domestically to protect buildings from the almost unbearable premonsoon sun. When kept damp over doors and windows, chicks reduce room temperatures by as much as 20 degrees.) Coarser fibers that are not spinnable go into brushes, cordage, and rope.

Export target surpassed

Production of coir fiber and coir products has increased gradually over the past 5 years. The Coir Board estimates 1964-65 fiber production at 152,400 metric tons compared with 130,000 tons 5 years earlier. Output of coir yarn is set at 142,240 tons against 120,000; and that of coir goods, at 24,200 against 21,000.

About half of this production moves out as exports. Following a growth spurt beginning around 1961 these have consistently exceeded the country's Third-Plan ex-

After 8 months or so of retting, the coconut husks are ready for the extraction of coir fiber, above. Some of this fiber will go into bristles, but most will be spun.

Below, women spin coir fiber into yarn, which in turn may be used by India's large cottage industry in the manufacture of mats, rugs, and other coir products.

port target of $19 million a year; however, shipments have edged down in the last 2 years, to the 1964-65 level of $23.6 million worth from the peak of $25.6 million in 1962-63.

Partly responsible for this export drop were reduced prices for the biggest foreign exchange earner, coir yarn. This product currently accounts for over 60 percent of India's export earnings from coir and coir products, followed by mats and mattings, with 30 percent. Minor exports are coir fiber, with about 5 percent; and cordage, rope, carpets, and rugs, with another 5 percent.

Foreign markets for these various products include the United Kingdom, Italy and most other European countries, the United States, Yugoslavia, and Russia. The United States, which accounts for about 10 percent of the total export, takes mainly coir yarn, mats, and matting; virtually all of this country's imports of such items are supplied by India.

Little export competition

Indian coir exporters have faced little direct competition in the export market, as the only other large exporter, Ceylon, ships out mainly coarse fiber for use in bristles. Also, thus far, the low cost of coir has prevented synthetics' making any significant inroad in the coir market.

There is, however, a widespread fear in many of the fiber industries that in future years, the price difference will be narrowed to the point that synthetic fibers can and will take up market shares. This has already occurred in markets for fibers used mainly as cordage and rope. For Indian coir, the relatively high export prices today as compared with those in the past accentuate the anxiety about competition from synthetics.

Despite this potential threat, the Indian coir industry has reportedly set export goals for the Fourth Plan, beginning in July 1966, well above those for the Third and is actively seeking to develop new uses for coir and other end products of the coconut husk.

New products developed

Two of the newly developed products—rubberized coir and curled rope—are valuable as upholstery filling. Rubberized coir is the fiber coated with rubber, whereas curled rope is a yarn that is thicker than regular coir yarn. The latter is in great demand in Europe, where many coir-manufactuing industries have developed.

To further attract buyers in the foreign market, India's Coir Board has recently established export standards for coir, along with a compulsory inspection system to insure compliance with these standards. And the coir industry is using more up-to-date marketing techniques, such as market assessment and designing for export and has increased publicity for coir products.

Abundance of raw material

Should these developments result in increased demand for coir, India would have more than enough raw material to expand production, for close to half of its available coconut husks are either going to waste or being used only as fuel. The lack of retting facilities, of course, is a deterrent to exploiting much of the available coconuts; however, there is the possibility of increasing mechanical extraction in areas where such facilities are not available. This has already been done in Ceylon, with excellent results.

—D. V. KHOSLA, *Analyst*
Office of the U.S. Agricultural Attaché, New Delhi

Chile's Agricultural Production Down in 1965 With Large Drops in Wheat, Pulses, and Milk

Because of severe drought during the 1964-65 crop season, Chile's agricultural production for 1965 is expected to be below the 1964 level. Unofficial estimates predict a further drop in 1966, as heavy rains flooded fields and damaged winter plantings.

Although wheat held its own as Chile's principal crop, the 1965 harvest of about 1.2 million metric tons was almost 73,000 tons below last year's. Imports of wheat in 1965 are estimated at about 417,000 metric tons, with a Title I, P.L. 480 agreement calling for 200,000 tons from the United States.

Chile has also agreed to purchase 50,000 metric tons of corn from the United States under Title I to supplement its 1965 crop—down to 202,800 metric tons from 204,000 in 1964. Most of the imported corn is earmarked for the poultry industry. With production of rice—estimated at 81,700 metric tons—likewise insufficient to supply domestic needs, imports by the end of the year are expected to total the equivalent of 25,000 metric tons of milled rice.

Pulses at 5-year low

Production of beans and lentils—Chile's major pulse crops—in 1965 was the lowest in 5 years, totaling 88,600 and 11,300 metric tons respectively. This drop in output, combined with high bean prices at home because of increasing demand, will be reflected in reduced exports.

Low yields in areas planted to potatoes resulted in a 1965 crop of about 674,000 metric tons, 100,000 tons below 1964 output, with practically all the potatoes entering domestic channels. Although production of Chile's other major root crops—onions and garlic—was slightly below that of last year, exports exceeded the 1964 level.

Output of grapes in 1965—at 79,500 metric tons—was about 4 percent below 1964 level, but exports are estimated at 9,600 tons compared with 7,500 a year earlier. Although melon production also fell slightly, exports jumped from 14,800 metric tons in 1964 to 19,300 in 1965. Apple production, at 88,000 tons, was up 3,000 tons from last year, with exports holding fairly steady at about 12,000 tons.

Production of pasteurized fresh fluid milk declined by about 16 percent and condensed milk by about 5 percent. Although output of powdered milk, butter, and cheese registered increases over 1964, Chile will have to import about 15,000 metric tons of powdered milk and 3,000 to 5,000 tons of butter and butteroil to meet domestic requirements. A recent Title I, P.L. 480 agreement calls for imports of 4,000 metric tons of U.S. powdered milk and 1,000 tons of butter.

Production of pork, lamb, and mutton in 1965 is estimated at about 1964 levels, but reduction of cattle slaughter to 1 day a week reduced overall meat output. Restrictions have been imposed on sales of beef and veal to encourage an increase in the cattle population and save foreign exchange by reducing imports.

Output of tobacco in 1965 is estimated at 300 metric tons below the 5,000 tons produced in 1964. Imports are expected to reach 1,300 tons by the end of the year, with about 80 percent coming from the United States.

Sugar beet, oilseed crops up

The record 1965 sugar beet crop, at 736,530 metric tons, produced 110,700 metric tons of refined sugar—an increase of 11 percent over 1964. Another large increase was registered by oilseeds, making imports of crude and semirefined oils unnecessary. However, imports of edible refined oil into the free food zones (areas in the northern mining country where imports are exempt from tariffs) will continue and are estimated at about 15,500 tons.

Chile's production of poultry meat in 1965 is estimated at 22,000 metric tons, one of the largest on record. Because of the scarcity of beef and veal, demand for poultry meat is high, and about 2,500 metric tons of frozen poultry—90 percent from the United States—will be imported by the end of the year. Output of eggs, at about 23,000 metric tons, was 1,000 tons above last year, and trade estimates place 1965 egg exports at 500 tons.

—Dispatch from WALDO S. ROWAN
U.S. Agricultural Attaché, Santiago

More U.S. Farm Products Going to Gaza Strip

The Gaza Strip, although tiny in terms of both population and area, has built up a substantial, $7-million-a-year, export trade in its major crop—oranges. Such exports, plus the convertible currency earned in oil fields of nearly countries, enable residents of this Egyptian Protectorate to buy comercially each year several million dollars' worth of U.S. farm products.

Set up as a haven for Arab refugees from Israel, the Gaza Strip is a U.N. mandate under Egyptian administration and together with Egypt makes up the United Arab Republic. Gaza, however, is a free zone, and its citizens have many privileges that the Egyptians do not have. In size, it is only 25 miles long by 5 miles wide and has about as many people as Toledo, Ohio (300,000).

Some 60 percent of the Strip's export earnings comes from oranges, shipments of which totaled around a million boxes in both 1963 and 1964 and are expected to reach 4 million by 1966. Such exports go largely to Eastern Europe and are made possible by the money brought in by the thousands of refugees who work in the petroleum industries of Kuwait, Saudi Arabia, Qatar, and Trucial Oman. With their earnings, these refugees have been able to install the irrigation facilities necessary to make productive this arid land. Currently over half of the Gaza Strip is covered with citrus groves, and new trees are being planted all the time. Another less important crop is almonds—which was planted before irrigation became widespread.

As an importer of U.S. farm products, Gaza holds considerable potential. In 1965 it bought $5 million worth of our products, or close to a third of all such imports by the United Arab Republic. And some sources believe that if the area's prosperity continues, Gaza could eventually become an importer of $10 million worth or more.

Major U.S. commodities taken by the Gaza Strip include cigarettes, about $450,000 worth in 1964; processed foods and beverages ($2 million worth); dairy products ($400,000); and large quantities of grain preparations.

—JOHN B. PARKER
Assistant U.S. Agricultural Attaché
Cairo

The Export and Promotion of U.S. Wheat and Flour

U.S. exports of wheat and flour during 1964-65 totaled 730 million bushels, some 15 percent less than in the exceptionally large previous year. Thus, exports were the second largest recorded; it is only the third year in history they have exceeded 700 million bushels. The total value of these exports was over $1.2 billion.

Of the total exports of wheat and wheat flour during 1964-65, nearly 80 percent moved as P.L. 480 shipments, the largest on record both percentagewise and in quantity. Large takers continued to be India, over 200 million bushels; Pakistan, nearly 65 million bushels; and Brazil, about 40 million bushels. The exports to these three countries totaled nearly half of the U.S. exports.

U.S. exports of wheat and wheat flour for dollars declined sharply from the exceptionally large previous year. Declines occurred in most major countries with Japan and Western Europe, historically large importers, off the most. Percentagewise, Japan declined nearly 20 percent, while Western Europe took only about half of the quantity imported the previous year. Sales to Communist areas in Eastern Europe waned also, with exports less than half of the previous year's.

Promising dollar sale outlook

Current export estimates for the 1965-66 fiscal year are for a 750-million-bushel movement, although if shipments continue at the rate of the July-September period, the total will probably be higher than is currently anticipated. Shipments under government programs are expected to once again be in the 550-million-bushel area, but the outlook for increased dollar sales is promising.

The continuing trend of increasing world population has resulted in an ever-growing demand for food, an important part of which is for wheat and wheat flour.

In 1964 world wheat production exceeded 9 billion bushels, the largest on record. The 1965 crop is currently forecast to be nearly as large.

World trade is also expanding. Current yearly levels are nearly double the trade of a decade ago. The United States continues to seek ways and methods to increase its share of this total. Currently the U.S. share is about 40 percent compared to the 1950-54 average of 34 percent.

Meanwhile, U.S. wheat groups cooperating with FAS are taking their cues from these and other developments on the domestic and foreign scene to capitalize on opportunities and minimize problems in export sales.

Great Plains Wheat

In South America and Europe, Great Plains Wheat maintains programs based largely on technical assistance and market information. Great Plains has been a market development cooperator since 1958 and is composed of State wheat commissions from Kansas, Colorado, North Dakota, South Dakota, and Oklahoma.

Much of Europe's import demand for wheat depends on the outcome of the European wheat crop. This year the European crop suffered from weather damage. In mid-October when a full appraisal of wheat import needs was available, Great Plains Wheat sent a five-man industry-government team to Europe to call on important potential customers.

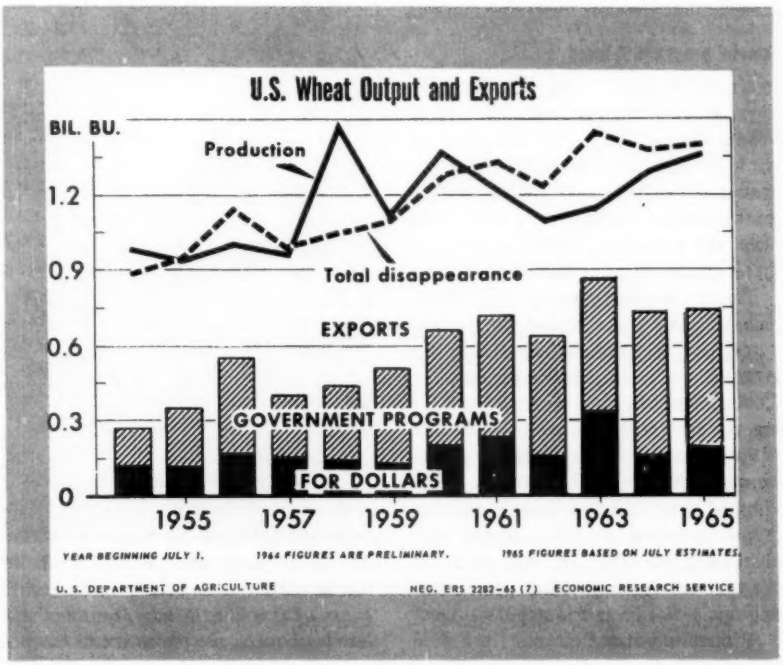
Trade contacts are maintained on a continuing basis by the cooperator's marketing and milling specialists, but this year special attention is being given to countries that buy U.S. wheat occasionally but not regularly, because the opportunity for sales appears much brighter.

Not all of the market development effort occurs overseas, however. The U.S. wheat image has been substantially improved as a result of revised wheat standards, changes that Great Plains worked hard to bring about as an aid to export sales.

In Latin America, Great Plains Wheat continues to participate in baker training work in Colombia and is preparing a similar program in Venezuela. In Peru, mobile units formerly used in conjunction with school feeding programs have been put in use to demonstrate and promote the commercial sale of wheat foods such as pasta products.

Wheat Associates

In the Pacific-Asian area, market development is carried out under the banner of Wheat Associates. This is a joint operation of Great Plains Wheat and Western Wheat Associates which is administered by the latter. Western Wheat Associates is comprised of wheat commissions and grower associations of Washington, Oregon, and Idaho. WWA came into being as a regional group in 1958 to succeed the Oregon Wheat Growers



League, which was among the first cooperators in the program.

The great success story of wheat market development is, of course, Japan, where sales have doubled in the past 5 years. These achievements have been largely due to stateside efforts which enabled the United States to be competitive in Hard Red Spring wheats in Pacific-Asian markets.

Intensive promotion in Japan

Wheat Associates efforts in Japan involve technical assistance to millers and bakers as well as other promotion projects.

These are carried on in conjunction with a dozen or more Japanese industry groups. They range from training noodle manufacturers and bakers to promoting the Western-style sandwich in which major emphasis is given to changing the concept of a sandwich as a snack to the sandwich as a meal.

A cooperative project with the National Renderers Association will bring a top U.S. shortening technician to Japan where technical problems confront the shortening industry and in turn affect the baking industry. Similarily, U.S. dates are being introduced to Japanese bakers and confectioners.

In the Philippines, programs to assist the baking industry are being formulated, in addition to efforts to assist local flour millers in home-consumer sales of packaged flour.

Considerable impetus to efforts by the private milling trade to increase demand for wheat products has come from Philippine team visits to America.

Special program in India

Understandably, market development is quite different in India. Here, Wheat Associates is phasing out its work in nutrition education and local groups will continue this work, which teaches Indian housewives how to prepare and use wheat foods as well as the importance of balanced nutrition.

The cooperator plans to strengthen technical assistance to the baking industry, a program which is being given more attention by the Indian Government. India is currently receiving the first shipment of U.S. durum wheat exported under Title I. These exports resulted in large part from Wheat Associates assistance to the Indian Government in conducting tests to determine the acceptability of chapatti—a type of bread eaten by millions of Indians — made from U.S. durum wheat.

CCC Sells $6.6 Million in Food To Italy for Welfare Program

In two sales to Italy last month, the Commodity Credit Corporation sold $6.6 million in food products for relief feeding and school lunches.

The first agreement, for 2,020,884 bushels of wheat, was signed under the CCC Charter Act. This authority provides for sales, at less than export prices, of agricultural commodities for specified purposes such as feeding needy children or starting and maintaining school lunch programs in foreign countries. The wheat will be used in school feeding programs and will not displace sales to Italy through normal commercial trade channels.

Sold to Italy at $1.13 per bushel, the wheat will be delivered at U.S. ports, with Italy paying for ocean transportation, distribution within Italy, and related costs.

The second sale consisting of $4.3 million worth of U.S. agricultural commodities, went to the Catholic Relief Service-National Catholic Welfare Conference for use in charitable feeding programs—aiding such private organizations to continue their work.

Previously, these welfare food needs have been met with donations under Title III of P.L. 480. In view of Italy's improved financial position, however, these donation programs were discontinued on June 30, 1965. Included were some 2.3 million bushels of wheat, 3.6 million pounds of butter, and 10 million of nonfat dry milk.

London Food Show Deadline

December 10 is the deadline for signature of participation agreements by U.S. firms wishing to take part in the American Specialty Foods Exhibition at the U.S. Trade Center in London, February 22-March 4, 1966.

This will be the first overseas food exhibition for the exclusive promotion of specialty foods.

More than 25 U.S. manufacturers and suppliers of specialty foods and products have already agreed to participate in the exhibition, which is sponsored by the Foreign Agricultural Service, the National Association for the Specialty Food Trade, and the Grocery Manufacturers of America.

Each firm participating will be furnished without charge a display booth for promoting its products.

Firms which need participation agreement forms or information should contact: Edward T. Sajous, National Association for the Specialty Food Trade, Inc., 11 West 42d St., New York; or Edward J. Cunningham, Grocery Manufacturers of America, Inc., 205 East 42d St., New York.

Photograph Is Highlight in U.S. Food Promotion at Brussels

The photograph which produced the most publicity mileage for the U.S. exhibit at the recent Salon de l'Alimentation in Brussels was this one of pretty girls holding some of the U.S. foods promoted at the fair. Picked up by five of Belgium's leading papers, the photo could have left few Belgians "unexposed" to U.S. foods.

Australian Canned Pineapple, Tropical Fruit Salad Down

The 1965 forecast of Australian canned pineapple production is 1,088,000 cases, or 62,000 cases below the 1964 figure.

The summer pack (canned between January and April) amounted to 728,000 cases as opposed to 778,000 in 1964, while the winter pack (canned between May and December) is forecast at 360,000 cases, or roughly 11,000 below the 1964 figure. The bulk of the Australian canned pineapple output is consumed on the domestic market.

Exports during calendar 1965 are forecast at 300,000 cases—down approximately 10 percent from the previous year. Although the United Kingdom is still an important export market, Australian canned pineapple shipments to Canada during 1963 and 1964, at 123,000 and 148,000 cases, exceeded those to the United Kingdom.

AUSTRALIA'S SUPPLY AND DISTRIBUTION OF CANNED PINEAPPLE

Item	1963	1964	1965 [1]
	1,000 cases	*1,000 cases*	*1,000 cases*
Supply:	*24/2½*	*24/2½*	*24/2½*
Beginning stocks (Jan. 1)	106	78	142
Production	885	1,150	1,088
Total supply	991	1,228	1,230
Distribution:			
Exports	313	336	300
Domestic disappearance	600	750	850
Ending stocks (Dec. 31)	78	142	80
Total distribution	991	1,228	1,230

[1] Forecast.

Production of canned tropical fruit salad in 1965 is expected to total 538,000 cases—down 13,000 from 1964 and 42,000 from 1963. The summer pack reached 188,000 cases (119,000 cases in 1964). However, the winter pack may total only 350,000 cases compared with 432,000 in 1964 because of a lack of pawpaw supplies, which account for roughly 35 percent of the filled weight.

Exports of the current pack are forecast at 100,000 cases, or slightly below those of the previous year. Canada became the major overseas market in 1963, and in 1964 took over 65 percent of Australia's canned tropical fruit salad exports.

The Australian Canned Fruits Board does not exercise minimum export price control on canned pineapple products. They are generally shipped on a consignment basis, with the market determining the price.

AUSTRALIA'S SUPPLY AND DISTRIBUTION OF CANNED TROPICAL FRUIT SALAD

Item	1963	1964	1965 [1]
	1,000 cases	*1,000 cases*	*1,000 cases*
Supply:	*24/2½*	*24/2½*	*24/2½*
Beginning stocks (Jan. 1)	32	27	19
Production	580	551	538
Total supply	612	578	557
Distribution:			
Exports	149	109	100
Domestic disappearance	436	450	440
Ending stocks (Dec. 31)	27	19	17
Total distribution	612	578	557

[1] Forecast.

Spanish Production of Table Olives Climbs

The 1965-66 forecast of Spanish table olive production is 60,700 short tons—up 15,400 from the previous year's "off" crop. Olive production categorized as exportable to the United States, Canada, and Puerto Rico is forecast at 49,600 tons, or more than 30,000 tons over the 1964-65 figure.

Reportedly, a lengthy drought adversely affected production and caused fruit sizes to range between medium and small. On the other hand, fly damage was minimal.

Exports of the current pack are forecast to reach 45,200 tons—5,600 tons over shipments in the previous year. If present statistics materialize, approximately 95 percent of total exports will be of the Manzanilla (and similar) and Queen varieties.

The United States continues to be the major outlet for Spanish table olives, followed by Canada, Italy, the United Kingdom, and West Germany.

SPAIN'S SUPPLY AND DISTRIBUTION OF TABLE OLIVES

Item	Beginning stocks	Production	Total supply
SUPPLY	*Short tons*	*Short tons*	*Short tons*
1964-65: [1]			
Exportable varieties: [2]			
Manzanilla and similar	9,700	14,600	24,300
Queens	6,300	4,900	11,200
Other	4,900	19,800	24,700
Nonexportable varieties	---	6,000	6,000
Total 1964-65	20,900	45,300	66,200
1965-66: [3]			
Exportable varieties: [2]			
Manzanilla and similar	1,100	33,100	34,200
Queens	1,000	16,500	17,500
Other	6,700	5,600	12,300
Nonexportable varieties	---	5,500	5,500
Total 1965-66	8,800	60,700	69,500

DISTRIBUTION	Exports	Domestic consumption	Ending stocks
1964-65: [1]	*Short tons*	*Short tons*	*Short tons*
Exportable varieties: [2]			
Manzanilla and similar	17,300	5,900	1,100
Queens	8,800	1,400	1,000
Other	13,500	4,500	6,700
Nonexportable varieties	---	6,000	---
Total 1964-65	39,600	17,800	8,800
1965-66: [3]			
Exportable varieties: [2]			
Manzanilla and similar	27,600	6,100	500
Queens	15,400	1,600	500
Other	2,200	4,000	6,100
Nonexportable varieties	---	5,500	---
Total 1965-66	45,200	17,200	7,100

[1] Revised estimate. [2] Manzanilla and similar and Queens are considered by the Spanish Government to be suitable for the U.S., Canadian, and Puerto Rican markets only. Other exportable varieties are shipped elsewhere. [3] Forecast.

Reportedly, average producer prices between October and November 1965 are substantially higher than those of the previous year, despite an increased pack. Manzanilla and similar varieties are $51.55 per ton above the 1964 prices, while Queens increased by $17.18 per ton and other varieties $34.36. Export prices (f.o.b. Seville) for Manzanillas are quoted above the 1964 levels, but those for Queens are below.

SPANISH PRODUCER AND EXPORT PRICES

Item	October-November 1964	October-November 1965
PRODUCER PRICES	*U.S. dol. per short ton*	*U.S. dol. per short ton*
Manzanillas & similar	206.19-223.37	257.74-274.92
Queens	240.55-257.74	257.74-274.92
Other	171.82-189.01	206.19-223.37
EXPORT PRICES [1]	*U.S. cents per pound*	*U.S. cents per pound*
Manzanillas:		
Whole	20.6	28.9
Pitted	23.7	32.0
Stuffed	33.0	41.2
Queens:		
Whole	26.8	21.6
Pitted	28.9	23.7
Stuffed	37.1	32.0

[1] F.o.b. Seville.

Yugoslavia Imports More Cotton in 1964-65

Yugoslavia imported 400,000 bales (480 lb. net) of cotton in 1964-65 (July-June), 18 percent more than in 1963-64.

About 40 percent, or 150,000 bales, of this came from the United States, mostly under Public Law 480 arrangements, compared with 32,000 bales, or around 10 percent, in 1963-64. Imports in 1965-66 may be about the same as last year, with about the same percentage coming from the United States as in 1964-65.

Quantities imported from other principal suppliers during 1964-65 in 1,000 bales (comparable 1963-64 figures in parentheses) were the UAR 67 (35), Greece 57 (55), Brazil 19 (11), Turkey 15 (4), Nigeria 10 (0), Iran 10 (24), Sudan 8 (36), Syria 4 (24), Pakistan 7 (41), and Mexico 1 (19).

During January-June 1965, cotton yarn production was 9 percent above that in the comparable period a year earlier and production of cotton fabrics was up 5 percent. Despite these increases in textile output, consumption of cotton this season will probably not be significantly different from the 390,000 bales used in 1964-65. Part of the reason for this is that a shortage of foreign exchange is expected to hold cotton imports at about last season's level. The shortage of foreign exchange is partially attributed to a decline in exports of cotton fabrics in the first half of 1965. While synthetic fibers do not represent a significant volume in Yugoslavia, small quantities are being blended with cotton and wool.

The 1965-66 cotton crop in Yugoslavia is estimated at 15,000 bales, compared with 12,000 last season, with the increase coming mainly because of a rise in planted area. Relatively unfavorable climatic conditions and keen competition from other crops will likely keep production from expanding in the near future.

Beginning stocks on August 1 this season were estimated at around 70,000 bales, a little over 2 month's mill requirement.

U.S. Imports of Red Meat Down

Total U.S. imports of red meat during the first 3 quarters of 1965 were down 12 percent from last year. There was a 27-percent drop in imports of boneless beef and a 28-percent drop in mutton. Partially offsetting this has been the rise in imports of pork items, particularly canned hams, and also in takings of bone-in and preserved beef. Imports of variety meats were up by one-third, with New Zealand, Canada, Mexico, and Nicaragua the major suppliers.

Imports of dutiable wool more than recovered from the depressed levels of the previous year. World prices have averaged lower in 1965, encouraging larger foreign purchases and increased consumption. Imports of duty-free wool, however, have remained below last year's.

Higher imports of live cattle reflect higher feeder cattle prices in the United States. Although the number of cattle imported is above the previous year, it is below the level of most of the past 5 years.

Imports of hides and skins were mixed—some categories showing increases while others showed decreases. In total, imports of hides and skins were at about the same level as last year.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	September 1964	September 1965	Jan.-Sept. 1964	Jan.-Sept. 1965
Red meats:				
Beef and veal:				
Fresh & frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef:				
Frozen	163	536	3,086	3,063
Fresh & chilled	1,730	2,894	8,615	13,856
Boneless beef	46,504	53,269	530,088	388,193
Cuts (prepared)	74	302	694	1,959
Veal	958	1,428	12,695	12,199
Canned beef & beef sausage	8,111	11,234	65,525	67,520
Prepared & preserved	604	1,132	8,136	16,213
Total beef & veal	58,144	70,880	628,839	502,998
Pork:				
Fresh & frozen	3,091	3,240	28,868	34,244
Canned:				
Hams & shoulders	12,207	16,098	103,637	127,223
Other	1,682	3,008	16,635	20,290
Cured:				
Hams & shoulders	123	115	1,150	1,181
Other	515	418	3,393	3,996
Sausage	274	199	1,376	1,286
Total pork	17,892	23,078	155,059	188,220
Mutton and goat	297	3,991	29,957	21,453
Lamb	748	849	8,806	8,662
Other sausage	204	578	2,850	3,490
Total red meat	77,285	99,376	825,511	724,823
Variety meats	52	126	934	1,249
Wool (clean basis)				
Dutiable	8,000	15,553	70,323	122,973
Duty-free	11,453	10,336	88,352	82,646
Total wool	19,453	25,889	158,675	205,619
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides & skins:				
Cattle	22	31	258	188
Calf	191	29	641	347
Kip	152	65	862	501
Buffalo	35	60	357	428
Sheep and lamb	3,426	2,430	26,591	25,718
Goat and kid	838	1,225	10,524	11,086
Horse	16	23	294	286
Pig	88	309	1,200	2,279
	Number	*Number*	*Number*	*Number*
Live cattle[1]	20,417	75,053	336,938	561,733

[1] Includes cattle for breeding.

U.S. Department of Commerce, Bureau of the Census.

Philippine Copra and Coconut Oil Exports Up

Registered exports of copra from the Philippine Republic during October totaled 86,472 long tons compared with 109,260 in the previous month and 92,151 in October 1964. Coconut oil exports totaled 21,816 tons as against

22,264 in September and 18,918 in October of last year.

The combined exports of copra and coconut oil during the first 10 months of the year totaled 612,059 tons, oil basis, compared with 605,000 in January-October 1964—an increase of 1.2 percent or 7,059.

The copra export price in mid-November was US$195 per short ton c.i.f. Pacific coast and US$221 per long ton c.i.f. European ports. Local buying prices were reported at 65 pesos per 100 kilograms (US$16.62) resecada basis Manila, and 55-67 pesos (US$14.07 to US$17.14) in producing areas.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country or continent of destination	1964 [1]	January-October	
		1964 [1]	1965 [1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	231,215	188,512	224,089
Europe	518,988	429,448	399,106
South America	26,800	21,800	14,744
Japan	29,880	20,880	29,600
Other Asia	500	500	500
Middle East	140	140	1,500
Total	807,523	661,280	669,539
Coconut oil:			
United States	182,736	147,867	140,854
Europe	41,286	32,330	42,291
South Africa	2,251	1,584	409
Japan	99	---	---
Total	226,372	181,781	183,554

[1] Preliminary.

Malay States, Singapore Exports of Copra, Coconut Oil

Net exports of copra and coconut oil from the Malay States and Singapore during the first 9 months of 1965 totaled 12,664 long tons, oil basis, compared with 7,186 in January-September 1964. Imports of copra, largely from Sabah, increased to 18,520 tons from 15,426, and exports of copra increased to 11,363 tons (India took 9,588 tons) from 4,362.

Coconut oil exports during January-September totaled 19,912 tons. Major destinations were Canada 5,158 tons, North Vietnam 2,411, Burma 2,200, and the Republic of South Africa 1,984. Exports of coconut oil in January-September 1964 totaled 14,984 tons, and imports increased to 2,667 tons from 718.

Mozambique's Exports of Copra and Coconut Oil

Exports of copra and coconut oil from Mozambique during the first 6 months of 1965 totaled 13,245 long tons, oil basis, 30 percent or 5,720 tons below the 18,965 tons exported in January-June 1964.

Copra exports amounted to 13,898 tons and coconut oil exports 4,350 in January-June 1965 as against 23,491 for copra and 3,931 for coconut oil in January-June 1964.

U.K. Cigarette Exports Rise

U.K. exports of cigarettes during January-August 1965 totaled 18.6 million pounds—up 24 percent from those for the first 8 months of 1964. Larger shipments to non-Commonwealth countries accounted for most of the increase.

Total shipments to non-Commonwealth countries, at 11.5 million pounds, were 35 percent above the 8.5 million exported in January-August 1964. Larger purchases by France, West Germany, Belgium, the Netherlands, French Somaliland, Somalia, Kuwait, Iraq, and Japan more than offset smaller takings by Italy, Sudan, Togo, and the UAR (Egypt).

Exports to Commonwealth countries totaled 7.1 million pounds, compared with 6.5 million in January-August 1964. Increased shipments to Aden, Hong Kong, Malaysia, and Kenya more than offset reduced purchases by Gibraltar, Nigeria, Tanzania, and Australia.

Ontario Flue-cured Auction Sales

Auction sales of the 1965 flue-cured crop produced in Ontario, Canada, opened on November 11. Sales through November 12 totaled 3.8 million pounds, at an average price of 58.4 Canadian cents per pound. Sales during the first 2 days of last season totaled 3.3 million pounds, at an average price of 55.8 Canadian cents. The season average price for Ontario's 1964 flue-cured crop was 56.7 Canadian cents per pound, the equivalent of 52.5 U.S. cents.

The 1965 flue-cured harvest in Ontario is now estimated at 162.8 million pounds from a measured area of 86,877 acres, compared with the early season's goal of 170.0 million pounds from a quota acreage of 89,656. The 1964 crop amounted to 136.6 million pounds from 73,479 acres.

Increase in Canadian Maple Sirup Production

Canada's 1965 production of maple products (expressed as sirup) totaled 30.25 million pounds, 25 percent above the 1964 crop but 12.5 percent below the 1958-62 average.

The Province of Quebec produced 90.6 percent of Canada's maple sirup output, but increases were also recorded in Nova Scotia, New Brunswick, and Ontario. It is expected that the United States will take about half of the total production. Sirup exports during January-July 1965 were nearly double those of the same period in 1964, with the United States accounting for all but a small portion.

The Ontario Provincial Government recently took action to stimulate a maple industry which had declined considerably in the last 15 years. Since officials are convinced this trend can be reversed in view of excellent demand for maple products at home and abroad, improved methods of production and marketing are being studied by government officials and maple producers.

Canada's Honey Production Rises

Canada's 1965 honey crop is expected to reach a new record of about 47 million pounds. This is 28 percent over last year's outturn of 36.7 million and 12 percent over the previous record of 42.1 million in 1963. Reportedly, the number of beekeepers has declined from a year ago, but the number of bee colonies has increased.

Domestic disappearance in 1965 may be close to 40 million pounds, compared with 31.8 million in 1964.

Demand for honey continues high in Canada's foreign markets, particularly in the United Kingdom. Alberta was reported to have had a "spectacular" production of some 16 million pounds this year, to top all Canadian Provinces in terms of output.

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average honey production per hive of bees. The Peace River Districts of Alberta and British Columbia are said to be almost ideal for top honey production.

Argentine Honey Situation Improves

Honey production in Argentina amounted to about 35,000 metric tons (77.2 mil. lb.) in 1965 and may reach 50,000 in 1966, as a result of the country's exceptionally favorable natural conditions for production, plus the strong world demand for honey.

Domestic consumption for the first 8 months of 1965 was reportedly 16,000 tons—three times the consumption during the entire 1964 year. During this same period another 16,000 tons were exported.

The large amount of exports and domestic consumption not only absorbed total production for the current year, but also carryovers from previous years. It had been thought that there might be considerable carryover at the end of 1965. Because of this changing situation, which is brought out in a report by the Federación Argentina de Sociedades Apícolas (FASA), confidence has been expressed that the 1966 output can be marketed without difficulty.

Nine countries absorb the bulk of world honey exports, over half of which is supplied by Argentina and Mexico. The annual value of Argentine honey exports for the 1955-58 period was US$1,329,000. This rose to US$5,841,000 in 1964, as a record 19,367 tons were exported at an average price of US$302 per ton.

Switzerland Increases Its Trade in Cheese

Switzerland's exports of cheese totaled 56 million pounds in the first 9 months of 1965—8 percent above the 52 million exported in the same months of 1964. Sales to most of the principal markets, except West Germany, were larger than a year ago. Shipments of 19 million pounds of cheese to Italy, the most important outlet, accounted for approximately 35 percent of total trade in this period.

Imports of cheese, at 20 million pounds, were up 6 percent. Increased receipts from France, the Netherlands, and Austria were large enough to offset smaller purchases from Italy, Denmark, and West Germany.

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